World Bank emphasizing that the World Bank did not discuss with any of the programme officers either during the review or before finalizing the review report. These discussions would have clarified most of the issues mentioned in the report. Had this been done, most of the inferences would have been different.

Government of India is committed to elimination of any deficiencies or irregularities which are detected. Structural deficiencies which there noted in the earlier programmes have been taken care of in the successor programmes. It has been aware of many such irregularities and has taken action, if required in the past. Several criminal, penal and disciplinary actions have been taken such as:

(0 Suspended business with two firms *viz.* M/s. Nestor Pharmaceuticals and M/s. Pure Pharma in July, 2005 on charges of reported collusion.

(ii) A case was registered by CBI on 21.8.2006 against M/s. Pure Pharma and M/s. Nestor Pharmaceuticals and the case is at an advanced stage of investigation.

(iii) Two officers (Shri M.P. Gupta of Hospital Services Consultancy Corporation and Shri Vasant Bhat of Hindustan Latex Limited) from the Procurement Support Agencies, who were allegedly involved in procurement irregularities, were suspended in 2006 and continue to be under suspension. Departmental proceedings against them are also at an advanced stage.

The World Bank report has not taken note of all these actions.

The World Bank report also did not take note of the structural changes which have been initiated post 2005. A very important structural change which has been initiated by Government of India is the launch of National, Rural Health Mission (NRHM) in April, 2005. NRHM has initiated the following architectural corrections in the public health delivery system:

- NRHM has in-built institutional and financial monitoring mechanism, *e.g.,* Programme Management Units (PMUs) at State/District/Sub-district levels consisting of management, financial and IT experts.
- Community ownership, accountability and oversight through Village Health and Sanitation Committees at the village level and Rogi Kalyan Samitis (Patients Welfare Societies) at sub-district and District Hospital levels consisting of representatives of Panchayati Raj Institutions, civil society and Government health functionaries.
- The Mission emphasises on 'service guarantees' and not merely on the creation of buildings and purchase of equipments.
- Capacity Building of States for decentralised procurement.
- Electronic transfer of funds from Government of India to States and States to district and E-Banking for real time financial reporting and monitoring.

In addition, in Centralized procurement, following corrective actions have been taken:

(i) Shifted the procurement responsibility from Procurement Support Agencies to the United Nation Office for Project Services for Bank supported operations.